

## **State of the City Address – June 27<sup>th</sup> 2007**

While preparing for the 2007 State of the City Address, I recently had my annual physical exam. I couldn't help but find certain similarities between these two important routines. While all of us hope to hear nothing but positive feedback from our physician when the results of our annual examination are presented, we have every expectation to get a candid report on our true condition.

So today I will present a frank analysis of how the City has worked to improve the community, the accomplishments we have made towards our commitment to a shared vision, and the challenges we face while treading through sometimes rocky terrain on our path to progress. Before I begin, I want to offer my sincere appreciation to the Greater El Paso Chamber of Commerce for sponsoring this event for the past 10 years. Please join me in giving the Chamber a hearty round of applause!

A year ago, when I last delivered the State of the City Address, I told you the stars were in alignment and it was now our time to shine.

Since then, many stars have continued to align themselves in our favor and, more than ever before, El Paso is indeed shining!

### **I. Working to Improve the Community**

Your City government is always striving to maintain our commitment to service, solutions, and success. We do this as an elected body, as a City organization and on individual levels. The people that work day in and day out on the many unique and successful initiatives that come out of the organization are a true testament to your City working to improve our community.

#### **The new administration**

The elected leaders that make up your El Paso City Council have worked long and hard during this administration to make great strides for all El Pasoans. I am sure that our newest member to the Council, District 5 Representative Rachel Quintana, shares our commitment to open, transparent, accessible, and accountable governance. With that, we welcome Representative Quintana as she joins this administration.

Rachel, we stand ready to assist you in accomplishing your objectives to move your district and our city in a positive direction.

## **The Districts**

As I mentioned before, your El Paso City Council works tirelessly for the community. This commitment has not gone unnoticed, as was made evident by the El Paso City Council being selected by the **Texas City Management Association** as the **2006 City Council of the Year**. I am sure that each representative has many stories of their successes in their districts. Some highlights from each of them include:

Representative Ann Morgan Lilly's passion to save arroyos resulted in a partnership with the community to form El Paso's first Public Improvement District to preserve Thunder Canyon.

Representative Susie Byrd, in her commitment to improving neighborhoods in her district, has worked on countless neighborhood projects that include a variety of park improvements and alley paving district-wide.

Following the flooding in the Saipan/Ledo neighborhoods Representative Alex Lozano spearheaded the efforts to relocate his constituents to new housing opportunities.

Representative Melina Castro has supported the preservation of Castner Range and Victory Garden in Northeast El Paso.

And Representative Presi Ortega relentlessly advocated for the installation of red light cameras in order to reduce accidents and save lives.

Representative Eddie Holguin's efforts to improve parks in the Mission Valley were realized in projects at Caribe Park, Capistrano Park and the Ysleta Skate Park.

Representative Steve Ortega was instrumental in organizing and advocating for sidewalk and street repair on Milton Street – the first the street had received in over 50 years.

And Representative Beto O'Rourke worked to take the parks to the streets as champion of the first ever, city wide health and fitness initiative, Ciclovía.

These are only a teasing taste of the initiatives your City Council members have been working on for the past two years. Congratulations and thank you for your commitment, City Council!

### **Mayor's Personal Initiatives**

El Paso has definitely proven itself to be a giving community. I could speak for hours on the generosity of individuals, small businesses, and corporations. Let me briefly share with you a few of my personal initiatives that the community's generosity has helped to make successful:

#### **Feed the Homeless**

For the second year in a row, businesses, civic groups, and the not-for-profit and faith based communities have helped my wife prepare and serve an exquisite Thanksgiving dinner to more than 3,000 homeless and needy persons at the Judson Williams Convention Center. In addition, the business community has generously supported her **Feed the Homeless** initiative, as she prepares a home-cooked meal once a month at one of the city's 16 homeless centers. During the past year, the first lady and her dedicated volunteers have served almost a thousand meals to the folks at these shelters.

#### **Mayor's 100 Teens**

Likewise, school counselors, principals, teachers, clergy, Optimists clubs, and the business community have generously supported the Mayor's 100 Teens project with their time, talent, and treasure, making it a huge community success. Our teens are chosen from high school freshman, sophomores, and juniors who have overcome some significant obstacle in their lives, maintained a respectable GPA, and most importantly, been a role model to their peers. Many teens have gone on to see great success as a result of this initiative.

#### **Quality of Life**

As one of the many organizations working to improve our community, the City of El Paso has taken an aggressive approach to enhancing the Quality of Life throughout the entire community.

In the year 2000, the overwhelming majority of El Pasoans cast their votes in favor of improving the quality of life in El Paso by approving \$131 million in bonds to develop our parks, libraries, museums, and zoo.

Since then, we have totally revamped our Quality of Life portfolio with a more intense focus on these critical services.

In the past year alone the City Council has approved landmark land use reform including the first-ever formal Parks and Recreation Plan, an Open Space Preservation Plan, a tree and landscape ordinance to better focus on the green space and community aesthetics; a total rewrite of the Zoning Code, and we are presently revising the Subdivision Code and annexation plan so that we can control the future growth of this city with best practice smart growth principles. These initiatives have been groundbreaking and progressive.

Robert Ingersoll once wisely stated that, **“In nature there are neither rewards nor punishments – there are only consequences.”** Our challenge now is to monitor how these changes impact the ability of developers to respond quickly to housing demands and at the same time maintain affordability for our citizens.

We are committed to continue the momentum we are creating in the area of Quality of Life.

### **Neighborhood Services**

Making the community part of our effort to improve El Paso has rendered the emergence of a strong neighborhood services program that incorporates growing the role of the community in City government. As part of this success, we now have **58** registered and active neighborhood associations. We’ve introduced our first **Neighborhood Leadership Academy**, which graduated 39 engaged citizens, launched our **Neighborhood Conservation and Revitalization Program** and created the **Neighborhood Improvements Program** that allows neighborhood associations to apply for city funds for smaller capital improvements that often go overlooked because of the focus on larger infrastructure needs of the City. In the initial outreach for the Neighborhood Improvements Program, we approved **19** applications resulting in **\$536,000** dispersed for a variety of neighborhood needs, including: streetlights, small park improvements, and street landscaping.

## II. A Commitment to a Shared Vision

Speaking of opportunities, as we look to improve the community, we make it happen through collaborating with each other to create a vision our entire community can share.

### Storm 2006

A perfect example is Storm 2006, which could certainly qualify as a candidate worthy of adopting the title of the Clint Eastwood movie, *the Good, the Bad and the Ugly*.

For 28 days during July and August parts of the city were inundated with the equivalent of three years worth of rainfall.

In the wake of the tempest, the entire community joined forces as neighbor helped neighbor and stranger came to the aid of stranger. The business community, every-day citizens, public employees, the not-for-profit community, and the military all did their part to protect lives, minimize losses, and assist in the recovery efforts. We should all thank God that not one life was lost and that not one case of looting was reported.

On the negative side of the ledger, Storm 2006 has left us with many challenges.

Public infrastructure damages surpassed the \$200 million mark and realistically, few of the resulting projects could be expected to be addressed with an over-night fix. To the man on the street, it might seem that little has been done, but the reality is quite different.

To date, approximately one-third of the infrastructure **REPAIR** projects of the original priority listing generated as a result of storm events have been completed.

These projects include repairs to address roadway damage, erosion, drainage clean-up, back fill and flood control improvements. This is a major feat for our recovering community. There are also several major **RECONSTRUCTION** projects that have either recently commenced or are currently underway. These are complex projects that ultimately provide for superior drainage facilities. Additionally, the Environmental Services and Street Departments cleaned and collected over 110,000 tons of debris.

The Storm also caused losses to our citizens that were equally devastating. Many families, like those from Mowad, Saipan and Fiesta, lost everything it took their entire lives to build. In an effort to assist these citizens, the City has made concerted and notable efforts to assist in moving more than 100 families out of the flood plane to safer residences. The Saipan/ Ledo Buyout program is 85 % complete, the Mowad Buyout program is 98% complete and the Fiesta Buyout program is 100% complete. To date, it is estimated that more than **\$9.8 million** has been invested in this tremendous relocation effort.

These projects have been accomplished in record time and have provided an invaluable new beginning to these families.

The dark clouds of Storm 2006 were not without some silver linings. The positive side is that we have a better understanding and appreciation of the vital infrastructure we take for granted most of the year. We find ourselves reprioritizing our ten-year public works plan and establishing a Storm Water Utility. **We can and will rebuild our community.**

### **Economic Development**

We, as a community, have been able to take challenges thrown at us and turn them into golden opportunities for our community. More than ever before we understand that Economic Development is everyone's job. The City's Economic Development Department, the El Paso Regional Economic Development Corporation (REDCO), the Chambers of Commerce, El Paso Community College, the University of Texas at El Paso, Upper Rio Grande @ Work and the El Paso Lyceum have defined their particular roles in attracting new businesses, supporting and expanding existing businesses, and incubating new ventures. Strategic partnerships have been formed with our counterparts in Juarez and New Mexico. The result is a fine tuned economic development machine that has been able to create more than 4,700 new good paying jobs in the past three years related to business recruitment. Three thousand nine hundred of those jobs have been created in the two years of this administration and – as we used to say in Brooklyn – **you ain't seen nothing yet!**

One word that you will hear many times in today's address is "regional". We can no longer work in a vacuum or look at our regional partners as competitors. With REDCO taking the lead, we have identified key industry clusters and planned our own economic future. These clusters include Military and Defense, Medical and Life Sciences Research, Manufacturing, and Automotive. We are no longer worried about who will get the credit for our successes, but rather that the region has successes to our credit.

To quote the writer Vauvenargues: **"The greatest achievement of the human spirit is to live up to one's opportunities and make the most of one's resources."**

Let me briefly tell you about some of the accomplishments of our collective economic development team.

### **Military and Defense**

In looking at our position in the military and defense arena, we built upon our strengths of geography and climate, identified and addressed our potential weaknesses, such as availability of water, and set about marketing our regional assets. The result is surely the most significant economic shot in the arm this community has seen in more than half a century – perhaps ever. The expansion of the Fort by almost **21,000 troops** and **30,000** family members, the **\$2.6 billion** investment the Pentagon will be making in Bliss's infrastructure, the civilian support jobs that will be created on post, and the resulting job creation and economic activity in the region will be the catalyst for other investment in our community. UTEP forecasts that the overall economic impact of Bliss' expansion will be **\$21.7 billion** over the next 6 years.

The Pentagon recognizes El Paso as the role model for how a community loves and supports soldiers and their families.

### **In El Paso it's always a great day to be a soldier!**

A significant part of the BRAC announcement is that Bliss was selected as the home of **Integrated Field Experimentation** for the Army's **Future Combat Systems** Program, which totals up to **1200 military and civilian personnel** being brought to Ft. Bliss. Our region has now become one of the most important locations in the world for the development and testing of our military's future

technological capabilities. If we play our cards right, this will attract defense contractors, engineering and/or manufacturing support and scientists to the region, as well as provide employment opportunities for the more than **800** engineers who graduate from UTEP and NMSU every year. In order to attract and accommodate these companies to the region the City is pursuing the creation of a **Science and Technology Park** to support the infrastructure necessary for that research and development to be done here rather than in some other community.

### **International Affairs**

Speaking regionally, we have become increasingly aware that we are competitors in a global economy and that Mexico, as the number one trading partner for the State of Texas, plays a significant role in our regional economic prosperity. After initially losing ground to off shore manufacturing competition, the State of Chihuahua is once again the fastest growing maquila center in Mexico. We understand that for every eight jobs that are created in Juarez, another is created on our side of the border. The payroll for El Pasoans working in maquilas exceeds half a billion dollars. The **Paso del Norte** region is now the 4<sup>th</sup> largest manufacturing center in North America, with more than **270,000** manufacturing jobs.

Governor Baeza and Mayor Murguia and I understand that our cooperation can assure that these relationships can survive long after we leave the political scene. To that end, we have rejuvenated the **Border Relations Committee**. This committee is working with Robert Andrade, my executive assistant to form an **Office of International Relations**.

- With the strong partnership that has been formed, we have had many successes.

One important element in our international efforts is **International Consulate and Delegation Outreach**. With embracing the fact that we are an international city comes the need to act as an international city. This year alone, we have done outreach in the areas of tourism, arts and culture and economic development. Consul Generals from the United States, Mexico, Spain, Korea and an inbound delegation from Jumasi China have all been working with my office and El Paso.



### **Intergovernmental Affairs**

Not only is it important for us to work internationally, but also with our State and Federal delegations. Successful and healthy intergovernmental affairs are key to a collective effort to benefit and help our City. Sylvia Firth, my Chief of Staff, has been an invaluable asset, coordinating El Paso initiatives in Austin and Washington to assure we send a consistent message of what our community needs are. Our relationships with the State and Federal governments have never been better.

### **Medical and Life Sciences Research**

For more than ten years, our community has been working to become the medical Mecca of West Texas, Southern New Mexico and Northern Mexico. Any frustrations and predictions that our work would not meet with success have been laid to rest now that the Texas Legislature has funded our four-year medical school. Fellow Harley Davidson enthusiast, Governor Rick Perry, has signed the bill that will serve as the cornerstone of the **Medical Center of Americas**. This victory was a cooperative effort that involved bipartisan political leadership as well as private sector support and funding. The four-year medical school at Texas Tech lays the groundwork for us to become a community that will be a leader in research and development into diseases that are prevalent among Hispanics and along our southern border. Look at El Paso today and you will see the future demographic face of America. We are the future. But we are not satisfied to stop there.

We will look at companies that provide technology for research that can provide the University and the expanded Medical School to aid in their own research.

As those companies further establish and expand here we will look to a model **Science and Technology Park** as part of a larger **Medical Center of the Americas Master Plan**. The pursuit of and focus on Medical/Life Sciences is the longest term and most complex component of our economic development strategy. Future generations will look back on the actions we take today and certainly recognize their importance to our economic prosperity.

### **III. Treading the Rocky Terrain on the Path to Progress**

I told you earlier that the stars are continuing to align themselves in our favor. However, lest we become overly complacent with recent successes we've enjoyed, we should recall Shakespeare's cautioning words: **"The fault, dear Brutus, is not in our stars, but in ourselves."** We must continue to cautiously tread the rocky terrain on this path to progress.

#### **Budget and Taxes Implications**

As part of treading that rocky terrain, our first challenge has been preparing for the City's FY 2008 Budget. Work on the budget has been underway for several months now. The City Manager has lamented how difficult this budget is because of some of the onerous costs being imposed this year. Specifically, Storm 2006 will have a huge impact on the City's debt service. To put this challenge into perspective, the City typically issues approximately \$100 million of debt instruments every two years for public works projects and as I told you earlier the storm caused \$200 million in infrastructure damage alone. The direction the administration has given to Ms. Wilson and her staff is that we should not start **any new initiatives** that might negatively impact our already overburdened property taxpayers. This does not mean we won't continue with what we have already begun, but we will not be putting additional projects on our already full plate.

Additionally, the resolution of the **Police and Firefighters Pension Unfunded Liability** will require us to issue **\$210 million** over the next two years, with the first allotment coming due in July. This is certainly one of the most significant financial resolutions I've addressed during my career as an elected official. And, while it is painful now – it actually saves the City going forward because if left unchecked, this liability would have potentially bankrupted the fund and caused serious harm to the City's financial integrity. This is a problem plaguing cities all across the U.S. Add to that the obligations we have to maintain and operate new QOL facilities opening in FY 2008.

This all comes at the time that we have doubled the exemption to the elderly and disabled and offered a homestead to provide some tax relief.

The financial impact to the city of the homestead exemption alone is that we in effect removed **\$577 million** from our taxable property rolls.

As a result, it may not be possible to deliver a budget without some adjustment to the present tax rate – unless we cut services. Since most of the growth is in police and fire services, parks and recreation services, increased funding requests from the City/County Health District and some other quality of life departments – these would be the primary areas most affected with reductions should council decide to make those adjustments.

These are the difficult challenges this new city council will have to debate as we establish the FY 2008 budget this summer.

Having said that, I must also acknowledge the accomplishments of the organization in terms of its commitment to high performance and improved customer service.

Since our goal is to be results and service oriented, the City has developed a customer service mission statement focusing on dedication to **“outstanding customer service for a better community”** along with our tag line of **“Service-Solutions-Success”**. At your leisure, please review our Annual Report and accomplishments page that are at your table.

These efforts are all the result of great teamwork and leadership between the City Council and a committed, dedicated, and talented City management and staff.

## **Mobility**

With El Paso’s improved economic position, it is becoming increasingly important that we need to address critical mobility issues. Channels of distribution will either establish us as a leader in international trade or as a region that is not prepared to compete. To meet these transportation challenges, the city created the **Camino Real Regional Mobility Authority**. While the RMA is not without its critics, this administration believes that it essentially becomes a locally controlled mini-TxDOT with the ability to issue their own construction bonds to fund mobility. In addition to the RMA’s authority to construct International Bridges on both sides of the border, it can also be instrumental in financing and construction of:

- The Inner Loop, connecting the Patriot and Purple Heart Highways,
- Expansion of the Border Highway East and connecting it to Border Highway West with a downtown flyover, and

- Building the Northeast Parkway.

These are essential projects for mitigating congestion on Interstate 10.

### **Mass Transit**

Two years ago the City Council set a strategic objective to become the least automobile dependent community in the Southwest. While some folks looked at this goal as lofty and unattainable, Ms. Wilson and her staff have taken the challenge seriously. In the wake of last summer's "Sun Metro Meltdown", Ms. Wilson and the Mass Transit Board have made significant progress at improving our public transportation system. In the past **16 months** we have invested **\$27 million** for the purchase of **55 NABI buses and 25 Paratransit vans** and have also completed rebuilds of **25 of our Millennium** series vehicles. Despite these significant investments we are not out of the woods yet. We remain committed to replacing our aging Sun Metro fleet, much of which is more than a decade old and has in excess of **half a million miles per vehicle**.

With the advent of the new administration, Sun Metro is going back to basics and has refocused its efforts on providing the community with **"a safe, reliable bus driven by a professional coach operator that practices excellent customer service."**

In addition, we will be forming a taskforce to explore the possibilities for a **Bus Rapid Transit** system (BRT) as an inexpensive, but equally efficient alternative to light rail. Optimistically, BRT could be realized within three years, contingent upon the availability of federal funds to get the project started.

BRT has been successfully implemented in major cities such as Bogotá, Columbia, Mexico City and Sydney, Australia. Last week we visited Los Angeles and were impressed with their progress on the "Orange Line BRT". Put into service two years ago, the system was forecast to handle 9,000 riders per day. They are now moving 24,000 people around LA every day.

**Corruption Challenges:**

I had planned to close my address at this point; however, I would ask that you bear with me for a few extra minutes.

I have spent a lot of time talking with you about the tremendous progress that El Paso has made over the past year. I have also shared with you the dreams and visions of El Paso's exciting future.

We are fortunate to live in a city where the sun shines over 360 days a year, which helps give us our warm, bright and optimistic character. Yet there are those few days when the sun fails to shine, and I sadly feel compelled to discuss briefly the cloud that casts its shadow upon our political process. I refer to the criminal investigation regarding county commissioners, school district boards and some local businesses. Nothing is more important to effective democratic government than the confidence and trust of the people in their elected officials. The oath that each public official swears to uphold is a sacred trust to carry out the people's business in an honest, efficient and effective manner. I imagine most of you have been surprised, shocked and deeply saddened by the accounts and allegations we have read in the newspapers and seen on television. Our interest should focus on a desire that truth be made known and that justice prevail. We must realize that the FBI and United States Attorney's office has a most difficult and delicate job to perform. To restore confidence and seek justice, they must be given the time they feel necessary to pursue this investigation thoroughly and fairly so that the guilty are brought to justice and the innocent be freed from any taint of suspicion. Many times throughout history, governmental reform occurred because of a major crisis. Crisis causes reflection and action necessary to prevent or minimize future dilemmas. I assure you that your city council shall establish new and tougher ethical standards no matter what the outcome of the investigation. I also caution my fellow citizens not to rush to judgment. Let the legal process proceed and wait to pass your judgment until all the evidence is in.

Do not fear. El Paso will survive this momentary crisis as it has survived all the others over the centuries and will emerge a brighter and better place, remembering El Paso, that the days of sunshine by far eclipse those rare cloudy days.

#### **IV. Closing**

As a young man, I had the good fortune to participate in the Boy Scouts. One of the lessons we learned was to leave our campsite in better shape than we found it. It could be simple things such as leaving a supply of firewood, or leveling and trenching the ground and removing annoying pebbles where a camp tent could be pitched, or more significant efforts such as building a lean-to.

A once-in-a-lifetime window of opportunity has opened to us. How we use that opportunity is up to us.

Our children and grandchildren will hold us accountable for the decisions we make on their behalf. We could settle for complacency and simply watch as destiny unfurls before us. Personally, I think we should and must expect more of ourselves. We are obliged to take full advantage of this unique opportunity we find knocking on our door. Today, I am eliciting the support of the entire community. I am issuing the challenge for each and every one of us to place our hands on the common rope that joins us to our future and collectively pull in the same direction.

We are not our father's El Paso. We are El Paso Nuevo. We are the new and improved El Paso. And like a mighty army united under a banner that symbolizes our belief in ourselves, I am asking that, today, we unite ourselves under this new banner, this new symbol, this new flag. And when our service to the community is finished, our children and grandchildren will marvel at the wonderful campsite we have prepared for them to enjoy.

May God Bless America, may He Bless Texas and Bless El Paso and may God Bless each and every one of you! Viva! Viva! Viva El Paso!!